

## Message Text

UNCLASSIFIED

PAGE 01 SANTO 04314 162110Z

64

ACTION EB-06

INFO OCT-01 ARA-06 ISO-00 CIEP-01 TRSE-00 OMB-01 CIAE-00

INR-05 NSAE-00 RSC-01 SS-15 NSC-05 L-01 STR-01 H-01

INT-05 DRC-01 /050 W

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R 162020Z OCT 74

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 1821

USDOC WASHDC

UNCLAS SANTO DOMINGO 4314

E.O. 11652: N/A

TAGS: EIND, ETRD, DR

SUBJECT: FERROUS SCRAP - REQUEST FOR INCREASE OF QUOTA

REF : SD 3826, SEP 17, 1974

1. EMBASSY HAS RECEIVED A FOREIGN OFFICE NOTE, DATED OCT 9, REQUESTING A QUOTA OF 28,000 SHORT TONS OF SCRAP IRON FROM THE CONTINGENCY RESERVE FOR THE FOURTH QUARTER. THE ARGUMENTS IN FAVOR OF THIS REQUEST AND THE BASIC SCRAP SITUATION IN THE COUNTRY REMAIN AS REPORTED PREVIOUSLY.

2. FOLLOWING IS AN EMBASSY TRANSLATION OF THE BODY OF THE NOTE:

QUOTE THE SECRETARIAT OF STATE FOR FOREIGN RELATIONS PRESENTS ITS COMPLIMENTS TO THE EMBASSY OF THE UNITED STATES OF AMERICA IN REFERRING TO ITS NOTE NO. 117 OF OCTOBER 2, 1974, IN WHICH, AND IN RESPONSE TO THE REQUEST BY THIS SECRETARIAT CONTAINED IN NOTE NO. 20416 OF SEPT. 13, 1974, THE EMBASSY STATES THAT THE CONTINGENCY RESERVE OF IRON SCRAP CORRESPONDING TO THE THIRD QUARTER OF 1974 HAS BEEN FULLY ALLOCATED, BUT THAT THE DEPARTMENT OF COMMERCE OF THE UNITED STATES ANNOUNCED ON SEPT. 24 THAT THE EXPORT CONTROL PROGRAM OF STEEL SCRAP FOR THE FOURTH QUARTER WOULD BE MORE HELPFUL, POINTING OUT

UNCLASSIFIED

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PAGE 02 SANTO 04314 162110Z

IN ADDITION THAT COUNTRIES LIKE THE DOMINICAN REPUBLIC, WHICH

HAD HISTORIC QUOTAS OF UNDER 10,000 SHORT TONS MAY NOW PLACE ALL THEIR ORDERS WITH ANY AMERICAN EXPORTER IRRESPECTIVE OF HIS HISTORIC EXPORT RECORD.

IN VIEW OF THE ABOVE RESPONSE, THIS SECRETARIAT HAS THE HONOR OF REQUESTING THROUGH THE EMBASSY THAT THE DOMINICAN REPUBLIC BE ASSIGNED A QUOTA OF 28,000 SHORT TONS OF STEEL SCRAP FROM THE CONTINGENCY RESERVE CORRESPONDING TO THE LAST QUARTER OF THIS YEAR. THIS QUOTA WOULD INCLUDE THE 15,000 SHORT TONS REQUESTED AND NOT ALLOCATED FOR THE THIRD QUARTER AND 15,000 SHORT TONS WHICH REPRESENT PART OF THE REQUIREMENTS OF THE PRINCIPAL DOMINICAN INDUSTRY, COMPLEJO METALURGICO DOMINICANO, C POR A (METALDOM), FOR THE LAST QUARTER OF 1974.

IN ADDITION TO THE REASONS SET FORTH IN ITS FORMER NOTE NO. 20416, OF SEPT. 13, 1974, THIS SECRETARIAT WISHES TO INDICATE TO THE EMBASSY THAT THE DOMINICAN REPUBLIC WAS NOT A CUSTOMARY IMPORTER OF IRON SCRAP IN THE PAST BECAUSE IT LACKED A STEEL PRODUCING INDUSTRY AND THAT NOW THE LARGEST PRODUCING FACILITIES, INSTALLED AS A RESULT OF THE INCREASED DEMAND FOR THIS PRODUCT, CHIEFLY FOR PUBLIC WORKS, HAS TURNED THIS COUNTRY INTO A CONSUMER OF THE ABOVE RAW MATERIAL IN ORDER TO SATISFY EXCLUSIVELY THE DOMESTIC DEMAND FOR STEEL. SINCE THE COUNTRY'S STEEL BAR CONSUMPTION IS 60,000 M.T. FOR THIS YEAR, IT WILL BE NOTED THAT THE STEEL BAR DEFICIT FOR THE SAME PERIOD IS CONSIDERABLY HIGHER THAN THE COMPLIMENTARY QUOTA OF 28,000 SHORT TONS REQUESTED HEREBY.

IF THE SUPPLY OF RAW MATERIAL (THE UNITED STATES IS BASICALLY THE ONLY EXPORTER OF IRON SCRAP) IS NOT REGULARIZED WITHIN THE NEXT FEW MONTHS, ALLOWING THE PRINCIPAL NATIONAL INDUSTRY TO DRAW UP A PRECISE PRODUCTION PROGRAM, THE COUNTRY WOULD BE VERY AFFECTED BY AN INSUFFICIENT SUPPLY OF STEEL, AND PRODUCTIVE INDUSTRY WOULD OPERATE UNDER A SEVERE HANDICAP.

THE CONCESSION OF THIS QUOTA OF 28,000 SHORT TONS FOR THE LAST QUARTER OF THIS YEAR, WHILE REPRESENTING ONLY A SMALL PROPORTION OF THE QUANTITIES TO BE DISTRIBUTED TO FRIENDLY COUNTRIES, WOULD BE A SATISFACTORY SOLUTION TO THE PROBLEMS OF THE DOMINICAN REPUBLIC IN THIS IMPORTANT MATTER FOR SOME MONTHS TO COME. UNQUOTE.  
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PAGE 03 SANTO 04314 162110Z

3. EMBASSY HOPES THAT EVERY CONSIDERATION WILL BE GIVEN TO PROVIDING AS MUCH OF THE REQUESTED ADDITIONAL ALLOTMENT AS IS FEASIBLE.  
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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FERROUS SCRAP, IMPORT QUOTAS  
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**Copy:** SINGLE  
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**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Executive Order:** N/A  
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**To:** STATE COM  
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